

most subtle, founded on interests the most selfish.

The use by the banks, for their own benefit, of the money deposited with them has received the sanction of the Government from the commencement of this connection. The money received from the people, instead of being kept till it is needed for their use, is, in consequence of this authority, a fund, on which discounts are made for the profit of those who happen to be owners of stock in the banks selected as depositaries. The supposed and often aggregated advantages of such a boon will always cause it to be sought for with avidity. I will not stop to consider on whom the patronage incident to it is to be conferred, whether the selection and control be entrusted to Congress or to the Executive, either will be subjected to appeals made in every form which the sagacity of interest can suggest. The banks, under such a system, are stimulated to make the most of their fortunate acquisition; the deposits are treated as increase of capital; loans and circulations are rashly augmented, and, when the public engineers require a return it is attended with embarrassments not provided for nor foreseen. Thus banks that thought themselves most fortunate when the public funds were received, find themselves most embarrassed when the season of payment suddenly arrives.

Unfortunately, too, the evils of the system are not limited to the banks. It stimulates a general rashness of enterprise, and aggravates the fluctuation of commerce and the currency. This result was strikingly illustrated during the operations of the late deposit system, and especially in the purchase of public lands. The order which ultimately directed the payment of gold and silver in such purchases, greatly checked, but could not altogether prevent the evil. Specie was indeed more difficult to be procured than the notes which the banks could themselves create at pleasure; but still being obtained of them as a loan, and returned as a deposit, which they were again at liberty to use, it only passed round the circle with diminished speed. This operation could not have been performed, had the funds of the Government gone into the Treasury, to be regularly disbursed, and not into banks, to be loaned out for their own profit, while they were permitted to substitute for it a credit in account.

In expressing these sentiments, I desire not to undervalue the benefits of a salutary credit to any branch of enterprise. The credit bestowed on probity and industry is the just reward of merit, and an honorable incentive to further acquisition. None oppose it who love their country and understand its welfare. But when it is unduly encouraged—when it is made to inflame the public mind with the temptation of sudden and unsubstantial wealth—when it turns industry into paths that lead sooner or later to disappointment and distress—it becomes liable to censure, and needs correction. Far from helping probity and industry, the ruin to which it leads falls most severely upon the great laboring classes, who are thrown suddenly out of employment, and by the failure of magnificent schemes never intended to enrich them, are deprived in a moment of their only resource. Abuses of credit, and excesses in speculation will happen in despite of the most salutary laws; no Government perhaps can altogether prevent them; but surely every Government can refrain from contributing the stimulus that calls them into life.

Since, therefore, experience has shown that to lend the public money to local banks is hazardous to the operations of the government, at least of doubtful benefit to the institutions themselves; and productive of disastrous derangement in the business and currency of the country, is it the part of wisdom again to renew the connection?

It is true that such an agency is, in many respects, convenient to the Treasury, but it is not indispensable. A limitation of the expenses of the Government to its actual wants, and of the revenue to those expenses, with convenient plans for its proper application to the purposes for which it was raised, are the objects which we should seek to accomplish. The collection, safe keeping, transfer, and disbursement of the public money, can, it is believed, be well managed by the officers of the Government. Its collection, and, to a great extent, its disbursements also, have indeed been hitherto conducted solely by them; neither National nor State Banks, when employed, being required to do more than keep it safe while in their custody, and transfer and pay it in such portions and at such times as the Treasury shall direct.

Serely banks are not more able than the Government to secure the money in their possession against accident, violence, or fraud. The assertion that they are so, must assume that a vault in a bank is stronger than a vault in the Treasury; and that directors, cashiers, and clerks, not selected by the Government, nor under its control, are more worthy of confidence than officers selected from the people and responsible to the Government; officers bound by official oaths and bonds for a faithful performance of their duties, and constantly subject to the supervision of Congress.

The difficulties of transfer, and the aid theretofore rendered by banks, have been less than is usually supposed. All the actual accounts show that by far the larger portions of payments are made within short or convenient distances from the places of collection; and the whole number of

warrants issued at the Treasury in the year 1834—a year, the results of which will it is believed, afford a safe test for the future—fell short of five thousand, or an average of less than one daily for each State; in the city of New York, they did not average more than two a day, and at the city of Washington only four.

The difficulties heretofore existing are, moreover, daily lessened by an increase in the cheapness and facility of communication; and it may be asserted with confidence, that the necessary transfers, as well as the safe-keeping and disbursements of the public moneys, can be with safety and convenience accomplished through the agencies of Treasury officers. This opinion has been, in some degree, confirmed by actual experience since the discontinuance of the banks as fiscal agents, in May last; a period which, from the embarrassments in commercial intercourse, presented obstacles as great as any that may be hereafter apprehended.

The manner of keeping the public money since that period, is fully stated in the report of the Secretary of the Treasury. That officer also suggests the propriety of assigning, by law, certain additional duties to existing establishments and officers, which, the modifications and safeguards referred to by him, will, he thinks, enable the Department to continue to perform this branch of the public service, without any material addition either to their number or to the present expense. The extent of the business to be transacted has already been stated; and in respect to the amount of money with which the officers employed would be entrusted at any one time it appears that, assuming a balance of five millions to be at all times kept in the Treasury, and the whole of it left in the hands of the collectors and receivers, the proportion of each would not exceed an average of thirty thousand dollars; but that, deducting one million for the use of the mint, and assuming the remaining four millions to be in the hands of one half of the present number of officers—a supposition deemed more likely to correspond with the fact—the sum in the hands of each would still be less than the amount of most of the bonds now taken from the receivers of public money. Every apprehension, however, on the subject, either in respect to the safety of the money, or the faithful discharge of these fiscal transactions, may, it appears to me, be effectually removed by adding to the present means of the Treasury the establishment by law, at a few important points, of offices for the deposit and disbursement of such portions of the public revenue as cannot, with obvious safety and convenience, be left in possession of the collecting officers until paid over by them to the public creditors. Neither the amounts retained in their hands, nor those deposited in the offices, would, in an ordinary condition of the revenue, be larger in most cases than those often under the control of disbursing officers of the Army and Navy, and might be made entirely safe, by requiring such securities, and exercising such controlling supervision, as Congress may by law prescribe. The principal officers whose appointments would become necessary under this plan, taking the largest number suggested by the Secretary of the Treasury, would not exceed ten; nor the additional expenses, at the same estimate, sixty thousand dollars a year.

There can be no doubt of the obligation of those who are entrusted with the affairs of Government, to conduct them with as little cost to the nation as is consistent with the public interest; and it is for Congress, and ultimately for the people, to decide whether the benefits to be derived from keeping our fiscal concerns apart, and severing the connection which has hitherto existed between the Government and banks, offer sufficient advantages to justify the necessary expenses. If the object to be accomplished is deemed important to the welfare of the country, I cannot allow myself to believe that the addition to the public expenditure, of comparatively so small an amount as will be necessary to effect it, will be objected to by the people.

It will be seen by the report of the Postmaster General, herewith communicated, that the fiscal affairs of that Department have been successfully conducted since May last upon the principle of dealing only in the legal currency of the United States, and that it needs no legislation to maintain its credit, and facilitate the management of its concerns; the existing laws being, in the opinion of that officer, ample for those objects.

Difficulties will doubtless be encountered for a season, and increased services required from the public functionaries; such are usually incident to the commencement of every system, but they will be greatly lessened in the progress of its operations.

The power and influence supposed to be connected with the custody and disbursement of the public money, are topics on which the public mind is naturally, and, with great propriety, peculiarly sensitive. Much has been said on them, in reference to the proposed separation of the Government from the banking institutions; and surely no one can object to any appeals or animadversions on the subject, which are consistent with facts, and evince a proper respect for the intelligence of the people. If a Chief Magistrate may be allowed to speak for himself, on such a point, I can truly say that to me nothing would be more acceptable, than the withdrawal from the Executive,

to the greatest practicable extent, of all concern in the custody and disbursement of the public revenue; not that I would shrink from any responsibility cast upon me by the duties of my office, but because it is my firm belief, that its capacity for usefulness is in no degree promoted by the possession of any patronage not actually necessary to the performance of those duties. But under our present form of Government, the intervention of the Executive officers in the custody and disbursement of the public money seems to be unavoidable; and before it can be admitted that the influence and power of the Executive would be increased by dispensing with the agency of banks, the nature of that intervention in such an agency must be carefully regarded, and a comparison must be instituted between its extent in the two cases.

The revenue can only be collected by officers appointed by the President, with the advice and consent of the Senate. The public moneys, in the first instance, must, therefore, in all cases, pass through hands selected by the Executive. Other officers appointed in the same way, or, as in some cases, by the President alone, must also be entrusted with them when drawn for the purpose of disbursement. It is thus seen that, even when banks are employed, the public funds must twice pass through the hands of Executive officers. Besides this, the head of the Treasury Department, who also holds his office at the pleasure of the President, and some other officers of the same department, must necessarily be invested with more or less power in the selection, continuance, and supervision of the banks that may be employed. The question is then narrowed to the single point, whether, in the intermediate stage between the collection and disbursement of the public money, the agency of banks is necessary to avoid a dangerous extension of the patronage and influence of the Executive? But it is clear that the connection of the Executive with powerful moneyed institutions, capable of ministering to the interests of men in points where they are most accessible to corruption, is less liable to abuse, than his constitutional agency in the appointment and control of the few public officers required by the proposed plan? Will the public money, when in their hands, be necessarily exposed to any improper interference on the part of the Executive? May it not be hoped that a prudent fear of public jealousy and disapprobation, in a matter so peculiarly exposed to them, will deter him from any such interference, even if higher motives be found imperative? May not Congress so regulate, by law, the duty of those officers, and subject it to such supervision and publicity, as to prevent the possibility of any serious abuse on the part of the Executive? and is there equal room for such supervision and publicity in a connection with banks, acting under the shield of corporate immunities, and conducted by persons irresponsible to the Government and the people? It is believed that a considerate and candid investigation of these questions will result in the conviction, that the proposed plan is far less liable to objection, on the score of Executive patronage and control, than any bank agency that has been, or can be, devised.

With these views, I leave to Congress the measures necessary to regulate, in the present emergency, the safe keeping and transfer of the public moneys. In the performance of constitutional duty, I have stated to them, without reserve, the result of my own reflections. The subject is of great importance, and one on which we can scarcely expect to be as united in sentiments as we are in interest. It deserves a full and free discussion, and cannot fail to be benefited by a dispassionate comparison of opinions. Well aware myself of the duty of reciprocal concession among the co-ordinate branches of the Government, I can promise a reasonable spirit of co-operation, as far as it can be indulged in without the surrender of constitutional objections, which I believe to be well founded. Any system that may be adopted should be subjected to the fullest legal provision, so as to leave nothing to the Executive but what is necessary to the discharge of the duties imposed on him; and whatever plan may be ultimately established, my own part shall be so discharged as to give to it a fair trial, and the best prospect of success.

The character of the funds to be received and disbursed in the transactions of the Government, likewise demands your most careful consideration.

There can be no doubt that those who framed and adopted the Constitution, having in immediate view the depreciated paper of the Confederacy—of which five hundred dollars in paper were, at times, only equal to one dollar in coin—intended to prevent the recurrence of similar evils, so far at least as related to the transactions of the new Government. They gave to Congress express powers to coin money, and to regulate the value thereof, and of foreign coin; they refused to give it power to establish corporations—the agents; then as now, chiefly employed to create a paper currency; they prohibited the States from making any thing but gold and silver a legal tender in payment of debt; and the first Congress directed, by positive law, that the revenue should be received in nothing but gold and silver.

Public exigency at the outset of the Government, without direct Legislative authority, led to the use of banks as fi-

scal aids to the Treasury. In admitted deviation from the law at the same period, and under the same exigency, the Secretary of the Treasury received their notes in payment of duties. The sole ground on which the practice thus commenced, was then or has since been justified, is the certain, immediate, and the convenient exchange of such notes for specie. The Government did indeed receive the inconvertible notes of State banks during the difficulties of war, and the community submitted without a murmur to the unequal taxation, and multiplied evils of which such a course was productive.

With the war this indulgence ceased, and the banks were obliged again to redeem their notes in gold and silver. The Treasury, in accordance with previous practice continued to dispense with the currency required by the act of 1798, and took the notes of banks in full confidence of their being paid in specie on demand, and Congress, to guard against the slightest violation of this principle have declared, by law, that if notes are paid in the transactions of the Government, it must be under such circumstances as to enable the holder to convert them into specie without depreciation or delay.

Of my own duties under the existing laws, when the banks suspended specie payments, I could not doubt. Directions were immediately given to prevent the re-ception into the Treasury of anything but gold and silver or its equivalent, and every practicable arrangement was made to preserve the public faith, by similar and equivalent payments to the public creditors. The revenue from lands had been for some time substantially so collected, under the order issued by the direction of my predecessor.—The effects of that order had been so salutary, and its forecast in regard to the apparent insolvency of bank paper had become so apparent, that, even before the catastrophe, I had resolved not to interfere with its operation. Congress is now to decide whether the revenue shall continue to be so collected or not.

The receipts into the Treasury of bank notes, not redeemed in specie, on demand, will not, I presume be sanctioned. It would destroy, without the excuse of war or public distress, that equality of imports, and identity of commercial regulation, which lie at the foundation of our Confederacy, and would offer to each State a direct temptation to increase its foreign trade, by depreciating the currency received for duties in its ports. Such a proceeding would also, in a great degree, frustrate the policy, so highly cherished, of refusing into our circulation a large proportion of the precious metals; a policy, the wisdom of which none can doubt, tho' there may be different opinions as to the extent to which it should be carried. Its results have been already too auspicious, and its success is too closely interwoven with the future prosperity of the country, to permit us for a moment to contemplate its abandonment. We have seen under its influence, our specie augmented beyond eighty millions; our coinage increased so as to make that of gold amount, between August, 1834, and December, 1835, to ten millions of dollars; exceeding the whole coinage at the mint during the 31 previous years. The prospect of further improvement continued without abatement, until the moment of the suspension of specie payments. This policy has now indeed been suddenly checked, but is still far from being overturned.

Amidst all conflicting theories, one position is undeniably the precious metals will invariably disappear when there ceases to be a necessity for their use, as a circulating medium. It was in strict accordance with this truth, that whilst in the month of May last, they were every where seen, and were current for all ordinary purposes, they disappeared from circulation the moment the payment of specie was refused by the banks, and the community tacitly agreed to dispense with its employment. Their place was supplied by a currency exclusively of paper, and, in many cases, of the worst description. Already are the bank notes now in circulation greatly depreciated, and they fluctuate in value between one place and another; thus diminishing and making uncertain the worth of property and the price of labor, and failing to subserve, except at a heavy loss, the purposes of business. With each succeeding day the metallic currency decreases; by some it is hoarded up in the natural fear, that, once parted with it cannot be replaced, while by others it is diverted from its more legitimate uses for the sake of gain. Should Congress sanction this condition of things by making irredeemable paper money receivable in payment for public dues, a temporary check to a wise and salutary policy will, in all probability, be converted into its absolute destruction.

It is true that Bank notes actually convertible into specie may be received in payment of the revenue, without being liable to all these objections, and that such a course may to some extent, promote individual convenience; an objection always to be considered where it does not conflict with principles of our Government or the general welfare of the country. If such notes only were received, and always under circumstances allowing their early presentation for payment, and if, at short and fixed periods, they were converted into specie, to be kept by the officers of the Treasury, some of the most serious obstacles to their reception would perhaps be removed. To retain the notes in the Treasury would be to renew, under an-

other form, the loans of public money to the banks, and the evil consequent thereon.

It is, however, a mistaken impression, that any large amount of specie is required for public payments. Of the seventy or eighty millions now estimated to be in the country, ten millions would be sufficient for that purpose, provided an accumulation of a large amount of revenue, beyond the necessary wants of Government be hereafter prevented. If to these considerations be added the facilities which will arise from enabling the Treasury to satisfy the public creditors, by its drafts or notes received in payment of the public dues, it may be safely assumed that no motive of convenience to the citizens requires the reception of bank paper.

To say that the refusal of paper money by the government introduces an unjust discrimination between the currency received by it and that used by individuals on their ordinary affairs, is, in my judgment, to view it in a very erroneous light. The constitution prohibits the states from making any thing but gold or silver a tender in the payment of debts, and thus secures to every citizen the right to demand payment in the legal currency. To provide by law that the government will not only receive its dues in gold and silver, is not to confer on it any peculiar privilege, but merely to place it on an equality with the citizen, by reserving to it a right secured to him by the constitution. It is doubtless for the reason that the principle has been sanctioned by successive laws from the time of the first Congress under the constitution down to the last. Such precedents, never objected to, and proceeding from such sources, afford a decisive answer to the imputation of inequality or injustice.

But, in fact, the measure is one of restriction, not of favor. To forbid the public agent to receive in payment any other than a certain kind of money, is to refuse him a discretion possessed by every citizen. It may be left to those who have the management of their own transactions, to make their own terms; but no such discretion should be given to him who acts merely as an agent of the people, who is to collect what the law requires, and to pay the appropriations it makes. When bank notes are redeemed on demand, there is then no discrimination in reality, for the individual who receives them may, at his option, substitute the specie for them, he takes them for convenience or choice. When they are not so redeemed, it will scarcely be contended that their receipt and payment, by a public officer, should be permitted, though none deny that right to an individual; if it were, that effect would be most injurious to the public, since their officer could make none of those arrangements to meet or guard against the depreciation, which an individual is at liberty to do. Nor can inconvenience to the community be alleged as an objection to such a regulation. Its object and motive are their convenience and welfare.

If, at a motion of simultaneous and unexpected suspensions by the banks, it adds something to the many embarrassments of the proceeding, yet those are far overbalanced by its direct tendency to produce a wider circulation of gold and silver, to increase the safety of bank paper, to improve the general currency, and thus to prevent altogether such occurrences, and the other and far greater evils that attend them.

It may, indeed, be questioned, whether it is not for the interest of the banks themselves that the government should not receive their paper. They would be conducted with more caution, and on sounder principles. By using specie only in its transactions, the government would create a demand for it, which would to a great extent prevent its exportation, and by keeping it in circulation, maintain a broader and safer basis for the paper currency. That the banks would thus be rendered more sound, and the community more safe, cannot admit of a doubt.

The foregoing views, it seems to me, do but fairly carry out the provisions of the federal constitution in relation to the currency, as far as relates to the public revenue. At the time that instrument was framed, there was but three or four banks in the United States; and had the extension of the banking system, and the evil growing out of it, been foreseen, they would probably have been specially guarded against. The same policy which led to the prohibition of bills of credit by the states, would, doubtless, in that event, have also interdicted their issue as a currency in any other form. The constitution, however, contains no such prohibition; and since the states exercised for nearly half a century, the power to regulate the business of banking, it is not to be expected that it will be abandoned. The whole matter is under discussion before the proper tribunal—the people of the states. Never before has the public mind been so thoroughly awakened to a proper sense of its importance; never has the subject, in all its bearings, been submitted to so searching an inquiry. It would be disturbing the intelligence and virtue of the people to doubt the speedy and efficient adoption of such measures of reform as the public good demands. All that can rightfully be done by the federal government to promote the accomplishment of that important object, will, without doubt, be performed.

(CONCLUDED IN OUR NEXT.)

WESTERN COURIER.

EDITED BY EDWIN R. SELBY.

RAVENNA, SEPT. 14, 1837.

YOUNG MEN'S CONVENTION.

The proceedings of this Convention will be found in another column. The weather was very unfavorable for the occasion and prevented the attendance of many who had intended to have attended. However the lack of numbers was made up by the spirit and good feeling of those who were present. The remarks of the speakers were pertinent and well received. Judge Tappan, of Steubenville being in town at the time, was invited to address the convention in a most happy manner, and his well timed remarks were received with cheers by the audience. The Convention adjourned to meet at this place on the 23d inst., when we hope to meet every one of the Democratic Young Men in the County.

HAND NAMES.—The Akron Balance seems much grieved because some of the Democratic papers apply the cognomen of "Whiggery" to "Bank party" and "Federal" to the party in opposition. We think the "Balance" should endeavor to pluck the beam from the eye of those of its own party, before it complains of the mote in the eyes of the Democratic papers. The mildest terms that are applied to the Democratic party by the opposition, are "Tory," "Vandal," "Userper."

PRESIDENT'S MESSAGE.—We are unable to present the whole of this able document to our readers to-day in consequence of a press of other matter, but a part of it will be found in this paper.

MILITARY ELECTION.—On the 2d Sept. Colonel Lucius V. BAKER was elected Brigadier General of the 1st Brigade 20th Division, O. M.

Speaker of the House of Representatives.—Hon. JAMES K. POLK was elected Speaker of the House of Representatives over Mr. Bell by a vote of 116 to 103.

The Hon. J. W. ALLEN has our thanks for a copy of the President's Message at an early day.

We have received the proceedings of a Democratic meeting in Palmyra, but from the length of the Message, and the lateness of the hour at which these proceedings came to hand, we are unable to give them a place in our paper this week.

The Address spoken of in the proceedings of the Young Men's Convention is omitted in our paper of this week, to enable us to lay before our readers as much of the Message as possible.

Young Men's Meeting.

At a meeting of the Democratic Young Men of Portage county, held at Ravenna, Sept. 7th, 1837, pursuant to a previous call, HARVEY H. JOHNSON, Esq. of Akron, was appointed Chairman and Marcus A. BIERCE, of Nelson, Secretary.

On motion of John V. Ingersoll, Esq. that a committee of five be appointed to draft resolutions and prepare an address to the Democratic Electors of the county, the following persons were appointed said committee:

John V. Ingersoll, Brainard Selby, Jun. D. K. Carter, Constant Bryan, and Geo. Lilley, Esqs.

After retiring for a short time the committee returned and offered the following resolutions, which by a unanimous vote were adopted as the sense of the meeting.

Resolved, That as citizens of this Republic, we regard her honor and prosperity as the chief object of our solicitude.

Resolved, That fidelity to the honor and prosperity of the Republic requires of every democratic Republican his most watchful care and active service.

Resolved, That things now passing present a crisis, which, like the religious fire, will bring out and distinguish the uncorrupted and incorruptible friends of our beloved country, and democratic institutions from the baser materials that would sacrifice and are sacrificing her best interests, and present principles to idols of cupidity.

Resolved, That the pecuniary embarrassments which afflict the people of the United States and other commercial nations of the world are the results of causes foreign to the measures and policy of the late and present administration of the General Government. That they have been produced by over-trading, over-banking, excessive and extravagant speculations, and not by the veto of the United States Bank, the removal of the deposits or the Treasury Circular.

Resolved, That we regard the present Banking system, now in operation throughout the United States as Anti Republican in its most essential features, corrupting in its tendencies, cursing the producing classes with sudden and periodical revolutions, taxing the industry of the country without affording any sufficient security for an honest performance of the obligations of those institutions to community.

Resolved, That as patriots and freemen we will use all our influence in sup-